

OFFICIAL  
FILE COPY

**DO NOT SEND OUT**

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**ST. TAMMANY PARISH TOURIST AND  
CONVENTION COMMISSION  
ST. TAMMANY PARISH, LOUISIANA**

Annual Financial Statements

May 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

12/19/08

<b>Contents</b>	<b>Statement</b>	<b>Page</b>
<b>Independent Auditor's Report</b>		<b>1 - 2</b>
<hr/>		
<b>Required Supplemental Information (Part I)</b>		
Management's Discussion and Analysis		4 - 6
<hr/>		
<b>Basic Financial Statements</b>		
Government-Wide Financial Statements		
Statement of Net Assets	A	8
Statement of Activities	B	9
Governmental Funds Financial Statements		
Balance Sheet	C	11
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets	D	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	E	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Financial Statement of Activities	F	14
Notes to Financial Statements		15 - 23
<hr/>		
<b>Required Supplemental Information (Part II)</b>		
Schedule 1 - Budgetary Comparison Schedule - General Fund		25
Schedule 2 - Budgetary Comparison Schedule - Special Revenue Fund		26
<hr/>		
<b>Supplemental Information</b>		
Schedule of Governing Board		28
<hr/>		
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b>		<b>29 - 30</b>

<b>Contents</b>	<b>Statement</b>	<b>Page</b>
<b>Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133</b>		<b>31 - 32</b>
<b>Schedule of Expenditures of Federal Awards</b>		<b>33</b>
<b>Schedule of Findings and Questioned Costs</b>		<b>34 - 35</b>



## **Independent Auditor's Report**

To the Board of Commissioners  
St. Tammany Parish Tourist and Convention Commission  
St. Tammany Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the St. Tammany Parish Tourist and Convention Commission (the Commission), a component unit of the St. Tammany Parish Government, as of and for the year ended May 31, 2008, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the St. Tammany Parish Tourist and Convention Commission as of May 31, 2008, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2008, on our consideration of the St. Tammany Parish Tourist and Convention Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

110 VETERANS MEMORIAL BOULEVARD, SUITE 200, METAIRIE, LA 70005-4958 • 504.835.5522 • FAX 504.835.5535  
5100 VILLAGE WALK, SUITE 202, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956  
TOWN HALL WEST, 10000 PERKINS ROWE, STE. 200, BATON ROUGE, LA 70810-1797 • 225.296.5150 • FAX 225.296.5151  
WWW.LAPORTE.COM

RSM McGladrey Network

Management's Discussion and Analysis, beginning on page 4, and the budgetary comparison schedule identified as Schedule 1 and 2, are not required parts of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplemental information listed in the table of contents under Supplemental Information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

October 17, 2008

**REQUIRED SUPPLEMENTAL INFORMATION (PART I)**

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Year Ended May 31, 2008**

**Management's Discussion and Analysis**

---

As management of the St. Tammany Parish Tourist and Convention Commission (the Commission), we offer this narrative overview and analysis of the Commission's financial activities for the fiscal year ended May 31, 2008. All amounts, unless otherwise indicated, are expressed in whole dollars.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information that is provided in addition to this MD&A.

**FINANCIAL HIGHLIGHTS**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 8 and 9 provide information about the activities of the Commission as a whole. Fund financial statements begin on page 11. The Commission is a component unit of the St. Tammany Parish Council. Its operations are conducted through the general fund. A special revenue fund is used to account for a portion of the state sales taxes designated for the use of performing arts/events centers.

A summary of the basic government-wide financial statements is as follows:

**STATEMENT OF NET ASSETS SUMMARY**

	2008	2007
<b>Assets</b>		
Cash and Cash Equivalents	\$ 149,225	\$ 57,073
Investments	1,901,992	1,834,695
Receivables (Taxes)	889,766	545,971
Capital Assets (Net of Accumulated Depreciation)	551,495	545,757
<b>Total Assets</b>	<b>3,492,478</b>	<b>2,983,496</b>
<b>Liabilities</b>		
Accounts Payable	531,370	238,718
Accrued Liabilities	3,162	7,089
Compensated Absences	26,509	24,000
<b>Total Liabilities</b>	<b>561,041</b>	<b>269,807</b>

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Year Ended May 31, 2008**

**Management's Discussion and Analysis**

**STATEMENT OF NET ASSETS SUMMARY (Continued)**

	2008	2007
<b>Net Assets</b>		
Invested in Capital Assets	\$ 551,495	\$ 545,757
Unrestricted	2,379,942	2,167,932
<b>Total Net Assets</b>	<b>\$ 2,931,437</b>	<b>\$ 2,713,689</b>

**STATEMENT OF ACTIVITIES SUMMARY**

	2008	2007
<b>Revenues</b>		
General Revenues		
Sales Taxes		
Local Collections	\$ 1,002,008	\$ 1,005,272
State Appropriation	1,211,250	1,211,250
Program Revenues	578,419	79,081
Interest Income	84,420	90,517
Miscellaneous	37,886	4,062
<b>Total Revenues</b>	<b>2,913,983</b>	<b>2,390,182</b>
<b>Expenses</b>		
Promotion of Tourism	2,397,396	1,514,665
Event Centers	298,839	355,084
<b>Total Expenses</b>	<b>2,696,235</b>	<b>1,869,749</b>
<b>Changes in Net Assets</b>	<b>\$ 217,748</b>	<b>\$ 520,433</b>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The actual General Fund and Special Revenue Fund revenues exceeded the budgeted amount by \$718,694 and \$22,302, respectively. The General Fund actual expenditures were less than budgeted by \$852,113. This was due to the Slidell Visitor Center project being delayed until after year end.



**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Year Ended May 31, 2008**

**Management's Discussion and Analysis**

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Commission has the authority to levy 3% hotel occupancy tax. An increase in the tax is not anticipated for 2009. The adopted budget was amended in a timely manner. The amended budget reflected no change in the Net Budgeted Deficit as originally adopted.

**CAPITAL ASSETS**

During the year ended May 31, 2008, net capital assets increased by \$5,737, which included additions of \$46,558, depreciation of \$40,195, and net retirements of \$626.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Donna O'Daniels, Executive Director, 68099 Hwy. 59, Mandeville, Louisiana 70471.

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## Statement A

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Statement of Net Assets**  
**May 31, 2008**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 149,225
Investments	1,901,992
Receivables	889,766
Capital Assets, Net	<u>551,495</u>
<b>Total Assets</b>	<u>3,492,478</u>
<b>Liabilities</b>	
Accounts Payable	531,370
Accrued Liabilities	3,162
Compensated Absences	<u>26,509</u>
<b>Total Liabilities</b>	<u>561,041</u>
<b>Net Assets</b>	
Invested in Capital Assets	551,495
Unrestricted	<u>2,379,942</u>
<b>Total Net Assets</b>	<u>\$ 2,931,437</u>

The accompanying notes are an integral part of these financial statements.

## Statement B

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Statement of Activities**  
**For the Year Ended May 31, 2008**

<b>Functions / Programs</b>	<b>Expenses</b>	<b>Program Revenues Operating Grants</b>	<b>Net (Expense) Revenue and Change in Net Assets Governmental Activities</b>
<b>Governmental Activities</b>			
Promotion of Tourism	\$ 2,397,396	\$ 578,419	\$ (1,818,977)
Events Centers	298,839	-	(298,839)
<b>Total Governmental Activities</b>	<u>\$ 2,696,235</u>	<u>\$ 578,419</u>	(2,117,816)
<b>General Revenues</b>			
Sales Taxes			
Local Collections			1,002,008
State Appropriation			1,211,250
Interest Income			84,420
Miscellaneous Income			<u>37,886</u>
<b>Total General Revenues</b>			<u>2,335,564</u>
<b>Change in Net Assets</b>			217,748
<b>Net Assets, Beginning of Year</b>			<u>2,713,689</u>
<b>Net Assets, End of Year</b>			<u>\$ 2,931,437</u>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

## Statement C

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Balance Sheet**  
**Governmental Funds**  
**May 31, 2008**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 149,225	\$ -	\$ 149,225
Investments	1,901,164	828	1,901,992
Due from Other Funds	-	130,497	130,497
Receivables	889,766	-	889,766
<b>Total Assets</b>	<b>\$ 2,940,155</b>	<b>\$ 131,325</b>	<b>\$ 3,071,480</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 412,827	\$ 118,543	\$ 531,370
Due to other funds	130,497	-	130,497
Accrued Liabilities	3,162	-	3,162
<b>Total Liabilities</b>	<b>546,486</b>	<b>118,543</b>	<b>665,029</b>
<b>Fund Balances</b>			
Unreserved, Reported in:			
General Fund	2,393,669	-	2,393,669
Special Revenue Fund	-	12,782	12,782
<b>Total Fund Balances</b>	<b>2,393,669</b>	<b>12,782</b>	<b>2,406,451</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,940,155</b>	<b>\$ 131,325</b>	<b>\$ 3,071,480</b>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-Wide Financial Statement of Net Assets**  
**May 31, 2008**

---

**Amounts reported for governmental activities in the Statement of**  
**Net Assets are different because:**

**Fund Balances - Total Governmental Funds** **\$ 2,406,451**

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the governmental funds.

Governmental Capital Assets	935,569
Less: Accumulated Depreciation	(384,074)

Compensated Absences	<u>(26,509)</u>
----------------------	-----------------

<b>Net Assets of Governmental Activities</b>	<b><u><u>\$ 2,931,437</u></u></b>
--	-----------------------------------

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended May 31, 2008**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Sales Taxes			
Local Collections	\$ 1,002,008	\$ -	\$ 1,002,008
State Appropriation	908,437	302,813	1,211,250
Grants	578,419	-	578,419
Miscellaneous Income	37,886	-	37,886
Interest Income	83,018	1,402	84,420
<b>Total Revenues</b>	<b>2,609,768</b>	<b>304,215</b>	<b>2,913,983</b>
<b>Expenditures</b>			
Current			
Personnel			
Salaries, Payroll Taxes and Fringe Benefits	700,741	-	700,741
Marketing and Promotion			
Advertising	918,803	-	918,803
Auto Expenses	16,668	-	16,668
Brochures	85,679	-	85,679
Dues and Subscriptions	22,210	-	22,210
Event Centers	43,591	-	43,591
Postage and Shipping	24,664	-	24,664
Promotional Merchandise	30,373	-	30,373
Research and Development	118,737	-	118,737
Special Promotions	13,867	-	13,867
Tammany Trace	30,000	-	30,000
Telephone	23,875	-	23,875
Trade Shows	32,948	-	32,948
Training and Education	1,075	-	1,075
Travel	66,387	-	66,387
Uniforms	8,779	-	8,779
Visitor Magazine	88,000	-	88,000
General and Administrative			
Auto Expenses	8,560	-	8,560
Capital Expense	44,027	-	44,027
Equipment Rental	9,932	-	9,932
Hurricane Recovery	8,127	-	8,127
Insurance	29,721	-	29,721
Office Supplies	15,347	-	15,347
Official Notice Publication	1,504	-	1,504
Professional Fees	14,128	-	14,128
Rent	5,141	-	5,141
Repairs and Maintenance	24,457	-	24,457
Travel	1,003	-	1,003
Utilities	12,281	-	12,281
Performing Arts and/or Convention Centers	-	298,839	298,839
<b>Total Expenditures</b>	<b>2,400,625</b>	<b>298,839</b>	<b>2,699,464</b>
<b>Net Changes in Fund Balances</b>	<b>209,143</b>	<b>5,376</b>	<b>214,519</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,184,526</b>	<b>7,406</b>	<b>2,191,932</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,393,669</b>	<b>\$ 12,782</b>	<b>\$ 2,406,451</b>

The accompanying notes are an integral part of these financial statements.



**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Government-Wide Financial Statement of Activities**  
**Year Ended May 31, 2008**

---

**Amounts reported for governmental activities in the Statement of Activities**  
**are different because:**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 214,519</b>
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	6,363
Net Loss on Disposition of Capital Assets	(626)
Change in Governmental Fund Compensated Absences	<u>(2,508)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 217,748</u></b>

The accompanying notes are an integral part of these financial statements.

## **ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**

### **Notes to Financial Statements**

---

#### **Note 1. Summary of Significant Accounting Policies**

The mission of the St. Tammany Parish Tourist and Convention Commission (the Commission) is to promote and develop tourism within St. Tammany Parish (the Parish). It operates two tourist information centers within the Parish and employs a staff of approximately 19 employees who coordinate advertisements and promotion of tourism for the Parish. The more significant of the Commission's accounting policies are described below.

##### **Reporting Entity**

The Commission was created in 1976, by Ordinance 674 of the St. Tammany Parish Council (the Council). It was re-established as a separate political body under the provisions of Act 47 of the 1995 regular session of the Louisiana Legislature. The Commission is governed by a Board of Commissioners, which are appointed by the St. Tammany Parish Council. The Commission consists of seven commissioners. Six of the members serve terms of three years with the seventh commissioner serving a term of one year to be alternatively appointed from the eastern and western corridors of the Parish.

As the governing authority of the Parish, for financial reporting purposes, the St. Tammany Parish Council is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Council for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability.

The Commission is a component unit of the Parish because the Council appoints all members of the Commission, and as such, is financially accountable for the Commission. However, the Parish governing authority has elected to not report the Commission in its annual financial statements, which is a departure from generally accepted accounting principles. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the Council, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

##### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## **ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**

### **Notes to Financial Statements**

---

#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **Government-Wide and Fund Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the General Fund and the Special Revenue Fund.

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences are recorded when paid.

Sales tax revenues are collected by the St. Tammany Parish Sheriff and are remitted to the Commission monthly. Taxes are remitted in the month following collection and are considered measurable at the month of collection. Accordingly, sales taxes collected in May 2008, and remitted in June 2008, have been reported as a receivable.

Each state fiscal year, the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to tourist and convention commissions throughout the state to be used for tourism development, including support for historic preservation and arts and humanities. The amount appropriated by the state is limited to state sales taxes on hotels and motels within St. Tammany Parish. The amounts appropriated by the state have been recorded in these financial statements. Payments are made quarterly.

## ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION

### Notes to Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Commission reports the following major governmental funds:

General Fund - the general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Fund - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. State sales taxes, which have been designated for expenditures related to the formation of "events centers" within the parish, are accounted for in this fund.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

##### Budgets and Budgetary Accounting

The Commission has adopted a budget for its general and special revenue funds. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Commission. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted amounts, which are not expended or obligated through contracts, lapse at year end. The Commission's budget is materially consistent with accounting principles generally accepted in the United States of America.

##### Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Cash and cash equivalents consist of cash, as defined above.

Investments, as required by Government Auditing Standards Board Statement No. 31, are reported at fair value.

##### Capital Assets

Capital assets, which include building, improvements, furniture and fixtures, computers and other assets, are reported in the governmental columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost, if historical costs are not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

## ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION

### Notes to Financial Statements

---

#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Capital outlays are recorded as expenditures of the General Fund, and they are recorded as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis.

All capital assets are depreciated using the straight-line method over the following useful lives:

	Estimated Lives
Buildings	10 - 30 Years
Leasehold Improvements	7 Years
Furniture and Fixtures	7 Years
Computers, Software and Fixtures	5 - 12 Years
Other Assets	5 - 12 Years

##### Compensated Absences

Employees accrue vacation leave at the rate of ten days per year. At the end of the year, any remaining vacation days are forfeited. Employees accrue sick leave at the rate of twelve days per year. Sick leave is cumulative up to a maximum of 24 days. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At May 31, 2008, the Commission had accrued compensated absences payable of \$26,509, which has been reported on the Statement of Net Assets. Accrued compensated absences payable increased \$2,508 during the year ended May 31, 2008.

##### Fund Equity

###### *Government-Wide Statements*

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets - Consists of capital assets, net of accumulated depreciation.
2. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

###### *Governmental Funds Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

## **ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**

### **Notes to Financial Statements**

---

#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

##### **Interfund Transactions**

Permanent re-allocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

#### **Note 2. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents (book balances) at May 31, 2008:

Demand Deposits	<u>\$ 149,225</u>
-----------------	-------------------

These deposits are stated at cost, which approximates market. At May 31, 2008, the Commission has \$226,989 in deposits (collected bank balances). Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties (GASB Category 2).

#### **Note 3. Investments**

Investments of \$1,901,992, which are stated at market using published quotes as of May 31, 2008, are in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125, because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities; as well as repurchase agreements collateralized by those securities.

## ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION

### Notes to Financial Statements

---

#### Note 3. Investments (Continued)

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the state to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates.

The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company. LAMP is rated AAAM by Standard & Poor's.

#### Note 4. Receivables

Receivables as of May 31, 2008, consist of the collected monies due from:

Taxes	
St. Tammany Parish Sheriff	\$ 95,649
State of Louisiana	521,985
Grant - Community Development	<u>272,132</u>
<b>Total</b>	<b><u>\$ 889,766</u></b>

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION****Notes to Financial Statements****Note 5. Capital Assets**

Change in capital assets for the year ended May 31, 2008, is as follows:

<b>Governmental Activities</b>	<b>Balance June 1, 2007</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance May 31, 2008</b>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	\$ 697,065	\$ -	\$ -	\$ 697,065
Furniture and Fixtures	50,352	-	-	50,352
Computers and Software	87,251	2,530	(19,159)	70,622
Other	73,502	44,028	-	117,530
<b>Total Capital Assets Being Depreciated</b>	<b>908,170</b>	<b>46,558</b>	<b>(19,159)</b>	<b>935,569</b>
<b>Less Accumulated Depreciation for</b>				
Buildings and Improvements	(202,276)	(20,968)	-	(223,244)
Furniture and Fixtures	(44,595)	(2,846)	-	(47,441)
Computers and Software	(52,697)	(9,180)	18,533	(43,344)
Other	(62,844)	(7,201)	-	(70,045)
<b>Total Accumulated Depreciation</b>	<b>(362,412)</b>	<b>(40,195)</b>	<b>18,533</b>	<b>(384,074)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 545,758</b>	<b>\$ 6,363</b>	<b>\$ (626)</b>	<b>\$ 551,495</b>



**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION****Notes to Financial Statements**

---

**Note 6. Accounts Payable**

At May 31, 2008, accounts payable consisted of the following:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total</b>
Trade Payables	\$ 404,983	\$ 118,543	\$ 523,526
Credit Card Payable	7,844	-	7,844
<b>Total</b>	<b>\$ 412,827</b>	<b>\$ 118,543</b>	<b>\$ 531,370</b>

**Note 7. Interfund Receivables/Payables**

Interfund receivables/payables between funds for the year ended May 31, 2008, are as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ -	\$ 130,497
Special Revenue Fund	130,497	-
<b>Total</b>	<b>\$ 130,497</b>	<b>\$ 130,497</b>

**Note 8. Compensation Paid to Commissioners**

The Commissioners received no compensation from the Commission for the year ended May 31, 2008.

**Note 9. Contingent Liabilities**

The Commission is contingently liable to the St. Tammany Parish Council for the acreage transferred to the Commission in a prior year, in the event that the Commission no longer has a need to utilize this land donated by the Council. The Commission has agreed to give the Council the first right to buy the property. In the event the Council does not exercise its first right to buy the property, then upon subsequent sale of the property, the Commission must reimburse the Council an amount of money equal to the fair market value of the land at the time of sale, less improvements, based upon an appraisal to be determined by two independently chosen appraisers.

## **ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**

### **Notes to Financial Statements**

---

#### **Note 10. Event Center Program**

In accordance with LSA Revised Statute 47:302.26, the Commission has placed 25% of its state funding in the Special Revenue Fund, to be used by performing arts and/or convention centers within St. Tammany Parish. At May 31, 2008, the fund balance of \$12,782 is available for the use of events centers. Beginning June 1, 2004, the state has restricted 40% of the special revenue fund revenues to the East St. Tammany Events Center District and 40% to the Recreation District No. 1 of St. Tammany Parish.

#### **Note 11. Deferred Compensation Plan**

Certain employees of the Commission participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

#### **Note 12. Expenditures in Excess of Appropriations**

During the year ended May 31, 2008, the Commission's special revenue fund had expenditures of \$298,839 and exceeded its budgeted appropriations of \$281,913, resulting in an unfavorable budget variance of \$16,926.

**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended May 31, 2008

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable/ (Unfavorable)
<b>Revenues</b>				
Sales Taxes				
Local Collections	\$ 961,874	\$ 961,874	\$ 1,002,008	\$ 40,134
State Appropriation	908,438	844,688	908,437	63,749
Grants	476,500	516,913	578,419	61,506
Miscellaneous Income	100	100	37,886	37,786
Interest Income	87,600	84,412	83,018	(1,394)
<b>Total Revenues</b>	<b>2,434,512</b>	<b>2,407,987</b>	<b>2,609,768</b>	<b>201,781</b>
<b>Expenditures</b>				
Current				
Personnel				
Salaries, Payroll Taxes and Fringe Benefits	685,423	685,423	700,741	(15,318)
Marketing and Promotion				
Advertising	920,000	955,621	918,803	36,818
Auto Expenses	6,700	6,700	16,668	(9,968)
Brochures	324,500	329,292	85,679	243,613
Dues and Subscriptions	18,500	18,500	22,210	(3,710)
Event Centers	75,000	75,000	43,591	31,409
Postage and Shipping	20,000	20,000	24,664	(4,664)
Promotional Merchandise	-	-	30,373	(30,373)
Research and Development	100,000	100,000	118,737	(18,737)
Special Promotions	10,000	10,000	13,867	(3,867)
Tammany Trace	30,000	30,000	30,000	-
Telephone	18,000	18,000	23,875	(5,875)
Trade Shows	15,000	28,000	32,948	(4,948)
Training and Education	28,000	15,000	1,075	13,925
Travel	84,500	84,500	66,387	18,113
Uniforms	6,000	6,000	8,779	(2,779)
Visitor Magazine	-	-	88,000	(88,000)
General and Administrative				
Auto Expenses	3,000	3,000	8,560	(5,560)
Capital Expense	45,000	45,000	44,027	973
Equipment Rental	12,050	12,050	9,932	2,118
Hurricane Recovery	-	-	8,127	(8,127)
Insurance	27,000	27,000	29,721	(2,721)
Office Supplies	12,952	12,952	15,347	(2,395)
Official Notice Publication	1,200	1,200	1,504	(304)
Professional Fees	28,000	28,000	14,128	13,872
Rent	4,800	4,800	5,141	(341)
Repairs and Maintenance	32,000	32,000	24,457	7,543
Training and Education	5,000	5,000	-	5,000
Travel	1,200	1,200	1,003	197
Utilities	14,500	14,500	12,281	2,219
Capital Outlay - Slidell Visitor Center, Mandeville, Trees and Vegetation	684,000	684,000	-	684,000
<b>Total Expenditures</b>	<b>3,212,325</b>	<b>3,252,738</b>	<b>2,400,625</b>	<b>852,113</b>
<b>Net Change in Fund Balance</b>	<b>\$ (777,813)</b>	<b>\$ (844,751)</b>	<b>209,143</b>	<b>\$ 1,053,894</b>
<b>Fund Balance, Beginning of Year</b>			<b>2,184,526</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 2,393,669</b>	

## Schedule 2

ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 Year Ended May 31, 2008

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable/ (Unfavorable)
<b>Revenues</b>				
Sales Taxes				
State Appropriation	\$ 302,814	\$ 281,563	\$ 302,813	\$ 21,250
Interest Income	2,000	350	1,402	1,052
<b>Total Revenues</b>	<u>304,814</u>	<u>281,913</u>	<u>304,215</u>	<u>22,302</u>
<b>Expenditures</b>				
Current				
Events Centers	<u>304,814</u>	<u>281,913</u>	<u>298,839</u>	<u>(16,926)</u>
<b>Total Expenditures</b>	<u>304,814</u>	<u>281,913</u>	<u>298,839</u>	<u>(16,926)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	5,376	<u>\$ 39,228</u>
<b>Fund Balance, Beginning of Year</b>			<u>7,406</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 12,782</u>	

## **SUPPLEMENTAL INFORMATION**

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Schedule of Governing Board**  
**May 31, 2008**

<b>Board of Commissioners</b>	<b>Term of Office</b>	<b>Compensation</b>
Debbi Smith, Chairman 26060 Cloverland Road Lacombe, LA 70445	December 31, 2009	\$-0-
Huey Davis 1537 Susan Lane Slidell, LA 70461	December 31, 2008	\$-0-
Connie Born, Vice-Chairman 102 Athene Dr. Slidell, LA 70460	December 31, 2011	\$-0-
Celia Bezou P.O. Box 2498 Covington, LA 70434	December 31, 2010	\$-0-
Kristen McLaren, Secretary/Treasurer 106 Trinity Lane Mandeville, LA 70471	December 31, 2008	\$-0-
Alicia Irmscher 605 Dockside Drive Slidell, LA 70461	December 31, 2010	\$-0-
Lisa Blossman 405 Country Club Dr. Covington, LA 70433	December 31, 2011	\$-0-



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
St. Tammany Parish Tourist and Convention Commission

*We have audited the financial statements of the St. Tammany Parish Tourist and Convention Commission as of and for the year ended May 31, 2008, and have issued our report thereon dated October 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.*

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the St. Tammany Parish Tourist and Convention Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Tammany Parish Tourist and Convention Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Tourist and Convention Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the St. Tammany Parish Tourist and Convention Commission's ability to initiate, authorize, record, process, detect or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the St. Tammany Parish Tourist and Convention Commission's financial statements that is more than inconsequential will not be prevented or detected by the St. Tammany Parish Tourist and Convention Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the St. Tammany Parish Tourist and Convention Commission's internal control.



Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Tammany Parish Tourist and Convention Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements; noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings and questioned costs.

St. Tammany Parish Tourist and Convention Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the St. Tammany Parish Tourist and Convention Commission's response and, accordingly, we express no opinion on it.

This report is intended for the information of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

October 17, 2008



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners  
St. Tammany Parish Tourist and Convention Commission

**Compliance**

We have audited the compliance of St. Tammany Parish Tourist and Convention Commission with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended May 31, 2008. St. Tammany Parish Tourist and Convention Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. Tammany Parish Tourist and Convention Commission's management. Our responsibility is to express an opinion on St. Tammany Parish Tourist and Convention Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Tammany Parish Tourist and Convention Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of St. Tammany Parish Tourist and Convention Commission's compliance with those requirements.

In our opinion, St. Tammany Parish Tourist and Convention Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended May 31, 2008.

### Internal Control Over Compliance

The management of St. Tammany Parish Tourist and Convention Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered St. Tammany Parish Tourist and Convention Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Tammany Parish Tourist and Convention Commission's internal control over compliance.

A control deficiency in the entity's internal control over compliance exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness as defined above.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

October 17, 2008

**ST. TAMMANY PARISH TOURISM AND CONVENTION COMMISSION**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2008**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
United States Department of Housing and Urban Development (Passed through the State of Louisiana) Community Development Block Grant (Major Program)	14.228	\$ 578,419

**Notes to the Schedule of Expenditures of Federal Awards**

**Note 1. Basis of Presentation**

*The schedule includes the federal grant of activity of the Commission and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.*

**Note 2. Subrecipients**

There were no payments to subrecipients for the year ended May 31, 2008.

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Schedule of Findings and Questioned Costs**

**For the Year Ended May 31, 2008**

---

**Section I**

Financial Statements

- |    |  |             |
|----|--|-------------|
| 1. | Type of auditors' report   | Unqualified |
| 2. | Internal control over financial reporting                                    |             |
| a. | Material weaknesses identified   | None        |
| b. | Significant deficiencies identified not considered to be material weaknesses | None        |
| c. | Noncompliance material to the financial statements noted                     | Yes         |

Federal Awards

- |    |   |                                   |
|----|---|-----------------------------------|
| 1. | Internal control over major programs  |                                   |
| a. | Material weaknesses identified  | None                              |
| b. | Significant deficiencies identified not considered to be material weaknesses            | None                              |
| 2. | Type of auditors' report issued on compliance for each major program                    | Unqualified                       |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510(a) | None                              |
| 4. | A management letter was not issued for the year ended May 31, 2008.                     |                                   |
| 5. | Identification of major programs<br>14.228  | Community Development Block Grant |
| 6. | Dollar threshold used to distinguish between Type A and B programs                      | \$300,000                         |
| 7. | Auditee qualified as a low - risk auditee under OMB A-133 Section 530                   | No                                |

**Section II**

Financial Statement Findings

- |           |  |
|-----------|--|
| 2008-1    | LRS 39:1311 requires the Commission to amend its budget if it sees that expenditures are exceeding budgeted amounts by more than 5%. During the year ended May 31, 2008, the Commission's special revenue fund had expenditures of \$298,639 and exceeded its budgeted appropriations of \$281,913, resulting in an unfavorable budget variance of \$16,926, which is 6% of budgeted expenditures. |
| Response: | Due to the State's calendar for disbursing event center monies, it is not possible to accurately predict revenues which drive expenditures.  |

**ST. TAMMANY PARISH TOURIST AND CONVENTION COMMISSION**  
**Schedule of Findings and Questioned Costs (Continued)**

**For the Year Ended May 31, 2008**

---

**Section III**

**Federal Awards Findings and Questioned Costs**

None